

PROVIDENT NATIONAL BANK

BROAD AND CHESTNUT STREETS, PHILADELPHIA, PA/REPLY TO: P.O. BOX 7648, PHILADELPHIA, PA 19101

RECORDATION NO. 12016 Filed 1425 No. 0-260A123

JUL 18 1980 - 9 45 AM Date JUL 18 1980

Secretary INTERSTATE COMMERCE COMMISSION
Interstate Commerce Commission
Washington, D.C. 20423

Fee \$ 50.00

ICC Washington, D. C.

RE: Avec Equipment Corporation

RECEIVED
JUL 18 9 40 AM '80
I.C.C.
FEE OPERATION BR.

Gentlemen:

We enclose herewith for recording pursuant to Section 20(c) of the Interstate Commerce Act the original and two counterparts of a Mortgage, Assignment and Security Agreement, dated June 23, 1980 which grants a mortgage upon and security interest in 50 railroad boxcars, and constitutes an assignment of income derived from such boxcars. This document assigns, among other things, rights of Avec Equipment Corporation under an Operating and Use Agreement with Lykens Valley Railroad Company which has been previously recorded with the Commission under recordation No. 12015

The parties to the transaction are as follows:

Mortgagor-Assignors:

Avec Equipment Corporation
P.O. Box 706
Galion, Ohio 44833

Philip S. Hesby, Trustee

Mortgagee-Assignee:

Provident National Bank
Broad & Chestnut Streets
Philadelphia, PA 19101

The following is a general description of the railroad equipment covered by the document:

No. of Units	Description	A.A.R. Mechanical Designation	Identifying Road Nos.
50	50' - 55 ton rebuilt boxcars with 10' doors	XP	See Exhibit A to Mortgage, Assignment and Security Agreement

Also enclosed is a check in the amount of \$60.00 payable to the Treasurer of the United States to cover recording of the mortgage and assignment. Would you please acknowledge receipt of the enclosure on the enclosed copy of this letter and stamp and return to our representative the original of the document.

Very truly yours,

Barbara J.S. Bear

Barbara J.S. Bear
Banking Officer

BJSB/kmh

Interstate Commerce Commission
Washington, D.C. 20423

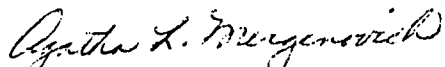
OFFICE OF THE SECRETARY

**Barbara J. S. Bear
Provident National Bank
Broad & Chestnut Streets
Philadelphia, Pennsylvania
19101**

Dear **Madam:**

The enclosed document(s) was recorded pursuant to the provisions of Section 11303 of the Interstate Commerce Act, 49 U.S.C. 11303, on **7/18/80** at **9:45AM**, and assigned re-recording number(s). **12016**

Sincerely yours,


Agatha L. Mergenovich
Secretary

Enclosure(s)

0434C
7-2117

046006

RECORDATION NO. 12016 FD 1425

JUL 18 1980 - 9 45 AM

INTERPAC NO. 1

INTERSTATE COMMERCE COMMISSION
MORTGAGE, ASSIGNMENT AND SECURITY AGREEMENT

Mortgage, Assignment and Security Agreement dated
June 23, 1980 by and among AVEC EQUIPMENT CORPORATION, an
Ohio corporation (the "Debtor") PHILIP S. HESBY (the "Trustee")
and PROVIDENT NATIONAL BANK, a national banking association (the
"Secured Party").

Recitals

WHEREAS, Trustee is the trustee and Debtor the trustor
under a Trust Agreement dated as of August 11, 1967, as amended,
of which the 50 railroad boxcars identified in Exhibit A hereto
are the subject (such 50 boxcars together with any replacements
therefor and all parts, modifications and accessions thereto
being the "Equipment"); and

WHEREAS, Secured Party has or will make certain loans
to Debtor to finance the rehabilitation of the Equipment, and
Debtor has issued its promissory note of even date herewith (the
"Note") evidencing such loans; and

WHEREAS, Debtor has entered into an agreement dated
June 28, 1979 with Scott Paper Company ("Scott") in which Trus-
tee has joined, a copy of which is attached hereto as Exhibit B,
under which Scott is entitled to the exclusive use of the Equip-
ment and guarantees minimum revenues to be derived from the
Equipment as set forth therein (the "Scott Agreement"); and

WHEREAS, Debtor and Trustee are parties to an agreement dated March 12, 1980 with Lykens Valley Railroad Company ("LKVY"), as amended, a copy of which is attached hereto as Exhibit D (recorded with the Interstate Commerce Commission at Recordation No. 12015 on July 18, 1980), providing that the Equipment listed in Exhibit A will carry the LKVY's reporting marks and numbers and providing for the rental to be paid by LKVY and other users for use of the Equipment listed in Exhibit A (the "LKVY Agreement"); and

WHEREAS, to secure payment of Debtor's Obligations, as hereafter defined, Debtor has agreed to grant to Secured Party a mortgage upon and a security interest in the Equipment and to assign to Secured Party and grant a security interest in the Scott Agreement, the LKVY Agreement, all insurance on the Equipment and the proceeds of that insurance, and all cash and non-cash proceeds of any of the foregoing (collectively the "Collateral"); and

WHEREAS, Trustee has agreed to join in this instrument as holder of title to the Equipment listed in Exhibit A and as a party to the Scott Agreement and the LKVY Agreement and all references hereinafter to Debtor shall be deemed to include Trustee to effectuate this purpose.

NOW, THEREFORE, in consideration of the premises and the mutual covenants herein contained, the parties hereto, intending to be legally bound, hereby agree as follows:

Section 1. Mortgage of, Assignment of, and
Security Interest in Collateral

1.1 Debtor hereby mortgages, grants a lien upon and a security interest in the Equipment as security for the payment and performance of Debtor's Obligations. As used herein, the term "Obligations" means the Note and all obligations, representations, and warranties of Debtor to Secured Party provided for or referred to herein.

1.2 Debtor hereby assigns to Secured Party all of its right, title and interest, and grants a security interest in the Scott Agreement and the LKVY Agreement and any modifications or amendments thereto to the extent that such agreements relate to the Equipment. This assignment includes without limitation the absolute and unconditional right to receive all amounts payable under the Scott Agreement and the LKVY Agreement for the Equipment and the benefit of all performance under the Scott Agreement and the LKVY Agreement and such assignment shall be valid and binding upon Debtor regardless of any invalidity, defect in, or unenforceability of the Note or any other provision hereof. Upon payment in full of all amounts secured hereby, this assignment shall terminate and be of no further force or effect.

Section 2. Representations and Warranties of Debtor

Debtor represents and warrants that:

2.1 Debtor is a corporation duly organized, validly existing and in good standing under the laws of its state of incorporation and has full power and authority to make and perform this Agreement, the Note and all other documents delivered in connection herewith.

2.2 The execution, delivery, and performance of this Agreement and of the Note and all documents in connection herewith have been duly authorized by all requisite corporate action and will not violate any provision of law or regulation, or of the charter or bylaws of Debtor, or of any agreement or other instrument by which Debtor is bound.

2.3 This Agreement and the Note and all other documents delivered in connection herewith are valid and binding obligations of Debtor enforceable in accordance with their respective terms.

2.4 Debtor has good title to the Collateral free and clear of any liens and encumbrances other than as referred to herein. Debtor's principal place of business and the address at which its records with respect to the Collateral are kept is 342 Harding Way West, P. O. Box 706, Galion, Crawford County, Ohio 44833.

Section 3. Agreements of Debtor

3.1 As to the Scott Agreement and the LKVY Agreement, Debtor will:

(a) Fulfill or perform every provision thereof to be fulfilled or performed by it;

(b) Give to Secured Party prompt notice (i) of the receipt of any notice received by Debtor of a default by Debtor thereunder, together with a copy of such notice, and (ii) of the default by any other party thereunder;

(c) Enforce, short of termination, the performance or observance of every provision to be performed or observed by any other party thereto;

(d) Not modify or amend the terms of such agreements as to the Equipment without the written consent of Secured Party;

(e) Neither waive nor release the other parties to such agreements from any obligations or conditions thereof.

3.2 Debtor will preserve the Collateral free and clear of any liens or encumbrances other than as referred to herein and will cause the Collateral to be insured by insurers satisfactory to Secured Party and in form and amount satisfactory to Secured Party, against fire and other casualty loss, with extended coverage in the broadest form, liability and such other hazards as are customary with such Collateral, and will

cause Secured Party's interest to be endorsed on all such policies of insurance in such manner that all payments for losses will be paid to Secured Party, and will furnish Secured Party with evidence of such insurance. Debtor will pay all premiums on any insurance referred to herein as and when they become due, do all things necessary to maintain the insurance in effect, and require that all policies of such insurance require the insurer to give 30 days' written notice to Secured Party prior to any modification or termination thereof.

3.3 Debtor will not (a) permit any of the Collateral to be levied upon under legal process, (b) permit the Collateral to become subject to any lease or rental agreement that has not been assigned to Secured Party pursuant to the provisions hereof, or (c) sell, exchange, or otherwise dispose of any of the Collateral or any of Debtor's rights therein.

3.4 Debtor shall pay promptly when due all license fees, assessments, sales, use, property or other taxes imposed upon the Equipment or upon the use thereof.

3.5 Debtor will keep complete and accurate books and records and make all necessary entries therein to reflect the transactions and acts giving rise to the Collateral and all payments, credits and adjustments applicable thereto. The Debtor will keep the Secured Party fully informed as to the location of all such books and records and shall permit the Secured Party or its agents to have access to such books and records and, if

deemed necessary by the Secured Party, to remove them from the Debtor's place of business or any other place where they may be found for the purposes of examining, auditing, and copying the same. Any of the Debtor's books and records so removed shall be returned as soon as such inspection, audit, or copying is completed.

3.6 Debtor will furnish to Secured Party such financial or other information concerning its affairs and the Collateral as Secured Party may reasonably request.

3.7 Debtor will execute from time to time upon request of Secured Party such financing statements, continuation statements, assignments, notifications and other documents as are necessary or desirable at Secured Party's sole discretion to perfect and continue the liens and security interests granted herein. Debtor hereby appoints Secured Party as its attorney-in-fact to do at Secured Party's option and at Debtor's expense, all acts and things which Secured Party may deem necessary or desirable to perfect and continue the liens and security interests created herein and to protect the Collateral.

3.8 Debtor hereby appoints Secured Party its attorney-in-fact in the name of Debtor or otherwise to ask, demand, receive and give acquittance for any and all money and claims for money due and to become due under or arising out of the Scott Agreement and the LKVY Agreement, to endorse any checks or other instruments in connection therewith, to give all or any

notices, consents, instructions or other communications reserved to Debtor therein, and to file any claims or take any action or institute any proceedings, granting unto said attorney full power to do any and all things necessary to be done with respect to the Scott Agreement and the LKVY Agreement as fully and effectively as Debtor might or could do, and Debtor hereby ratifies all said attorney shall lawfully do or cause to be done hereunder. This power of attorney shall be irrevocable for the term of this agreement. Nothing herein shall obligate Secured Party to perform or discharge any obligation of Debtor under the Scott Agreement or the LKVY Agreement.

3.9 Debtor will pay all of Secured Party's expenses, including fees and disbursements of its counsel, in connection with the transactions contemplated hereby, the enforcement hereof and of the Note and the exercise by Secured Party of its rights hereunder or under the Note. Debtor agrees that Secured Party may, at its sole discretion and without notice to Debtor, obtain insurance covering any of the Collateral if Debtor fails to do so, discharge taxes or liens or encumbrances levied or placed upon and of the Collateral, and pay for maintenance and preservation of the Collateral. Debtor agrees to reimburse Secured Party, on demand, with interest at the rate provided for in the Note, for any such payment made or expense incurred and agrees that the Collateral shall secure reimbursement of such payments and expenses.

Section 4. Events of Default

The following shall constitute Events of Default hereunder and under the Note:

4.1 If there shall be a default in the payment of principal or interest on the Note when and as the same shall become due and payable.

4.2 If Debtor or Scott or the LKVY becomes insolvent or makes an assignment for the benefit of creditors, or if any petition is filed by or against Debtor, Scott or LKVY under any provision of any state or federal law alleging that Debtor, Scott or LKVY is insolvent or unable to pay debts as they mature.

4.3 If the Scott Agreement is terminated; or if there is any breach of the Scott Agreement by either of the parties thereto; or if there is any amendment or modification of the Scott Agreement without the written consent of Secured Party.

4.4 If the LKVY Agreement terminates, whether or not pursuant to its terms, unless prior to such termination, a substitute agreement has been approved by Secured Party; or if there is any breach of the LKVY Agreement by either of the parties thereto; or if there is any amendment or modification of the LKVY Agreement without the written consent of Secured Party.

4.5 If any attachment, levy or garnishment issues against any of the Collateral.

4.6 If any of the representations and warranties of Debtor set forth in Section 2 hereof shall prove to have been materially false or incorrect.

4.7 If Debtor shall fail to perform any of its agreements set forth in Section 3 hereof.

Section 5. Remedies

Upon the occurrence of an Event of Default, Secured Party may, in its sole discretion take any action stated herein as well as any other action allowed by law, and may exercise all remedies from time to time and as often as Secured Party, in its judgment, may deem desirable:

5.1 Declare the Note to be due and payable and the Note shall thereupon become due and payable, without presentation, demand, or further action of any kind.

5.2 Exercise all rights of a Secured Party under any applicable law, including the Uniform Commercial Code, including the right to collect, receipt for, settle, compromise, adjust, sue for, foreclose or otherwise realize upon any of the Collateral, and to dispose of any of the Collateral at public or private sale or other proceeding. Debtor agrees that 10 days' prior written notice of such sale or disposition shall constitute reasonable notice under the Uniform Commercial Code, and further agrees that Secured Party or its nominee may become the purchaser at any such sale.

Section 6. Limitation of Liability

Notwithstanding any provision herein or in the Note, the liability of Debtor hereunder and under the Note shall be enforceable only out of the Collateral and the proceeds therefrom, except in the case of an Event of Default arising under Subsection 4.6 of Section 4 hereof.

Section 7. Successors and Assigns

All provisions herein shall inure to and become binding upon the successors, representatives, receivers, trustees and assigns of the parties.

Section 8. Miscellaneous

8.1 The Debtor's address for the delivery of notices, requests, demands and other communications hereunder is as set forth below, until changed by written notice to the Secured Party:

Avec Equipment Corporation
P. O. Box 706
Galion, Ohio 44833

8.2 The Secured Party's address for the delivery of communications hereunder is as set forth below until changed by notice to Debtor:

Provident National Bank
P.O. Box 7648
Philadelphia, Pa. 19101

Attention: Mrs. B. J. S. Bear

8.3 This Agreement has been executed pursuant to and shall be governed by the laws of the Commonwealth of Pennsylvania.

IN WITNESS WHEREOF, this Agreement has been duly executed on the day and year first above written.

AVEC EQUIPMENT CORPORATION

By: Philip S. Hesby, Pres
President

Philip S. Hesby, Trustee
PHILIP S. HESBY, as Trustee

PROVIDENT NATIONAL BANK

By: Barbara S. Bear
Vice President
Banking Officer

STATE OF Pennsylvania :
COUNTY OF Philadelphia : SS

On this the 23rd day of June, 1980, before me, a Notary Public for the Commonwealth of Pennsylvania, the undersigned officer, personally appeared Philip S. Hesby, who acknowledged himself to be the President of AVEC EQUIPMENT CORPORATION, a Ohio corporation, and that he as such officer, being authorized to do so, executed the foregoing instrument for the purposes therein contained, by signing the name of the corporation by himself as such officer.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal.


Notary Public

My Commission Expires:

WILLIAM O. BREM

Notary Public, Phila., Phila. Co.

My Commission Expires Oct. 13, 1981

STATE OF Pennsylvania :
COUNTY OF Philadelphia : SS

On this the 23rd day of June, 1980, before me, a Notary Public for the Commonwealth of Pennsylvania, personally appeared PHILIP S. HESBY, known to me to be such, who executed the within document and acknowledged the same as his voluntary act and deed.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal.


Notary Public

My Commission Expires:

WILLIAM O. BREM

Notary Public, Phila., Phila. Co.

My Commission Expires Oct. 13, 1981

STATE OF Pennsylvania :
COUNTY OF Philadelphia : SS

On this the 23rd day of June, 1980, before me, a Notary Public for the Com. of Penna., the undersigned officer, personally appeared ~~Vice President~~ BANKING OFFICER who acknowledged himself to be a ~~Vice President~~ of PROVIDENT NATIONAL BANK, a national banking association, and that he as such officer, being authorized to do so, executed the foregoing instrument for the purposes therein contained, by signing the name of the corporation by himself as such officer.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal.


Notary Public

My Commission Expires:

WILLIAM O. BREM

Notary Public, Phila., Phila. Co.

My Commission Expires Oct. 13, 1981

EXHIBIT A

This Exhibit A is made part of the Mortgage, Assignment and Security Agreement number 046006 dated June 23, 1980 between AVEC EQUIPMENT CORPORATION (Debtor) and PROVIDENT NATIONAL BANK (Secured Party). The following group of 50 boxcars are identified by and bear the reporting marks of the Youngstown & Southern Railway Company:

LKVV123005	LKVV123057
LKVV123006	LKVV123058
LKVV123007	LKVV123061
LKVV123008	LKVV123062
LKVV123029	LKVV123063
LKVV123030	LKVV123065
LKVV123032	LKVV123066
LKVV123033	LKVV123067
LKVV123034	LKVV123069
LKVV123035	LKVV123073
LKVV123040	LKVV123074
LKVV123042	LKVV123075
LKVV123043	LKVV123076
LKVV123044	LKVV123077
LKVV123045	LKVV123078
LKVV123046	LKVV123079
LKVV123047	LKVV123080
LKVV123048	LKVV123081
LKVV123049	LKVV123082
LKVV123050	LKVV123083
LKVV123051	LKVV123088
LKVV123053	LKVV123090
LKVV123054	LKVV123091
LKVV123055	LKVV123092
LKVV123056	LKVV123093

Date: _____

June 23, 1980

AVEC EQUIPMENT CORPORATION

By: _____

Chas. S. Healy

President

ASSIGNMENT CAR AGREEMENT

This Agreement is made and entered into this 28th day of June, 1979 by and between AVEC EQUIPMENT CORPORATION, an Ohio corporation (hereinafter referred to as "Avec") having a mailing address at P. O. Box 706, Galion, Ohio 44833, and SCOTT PAPER COMPANY, a Pennsylvania corporation (hereinafter referred to as "Scott"), having a mailing address at Scott Plaza, Philadelphia, Pennsylvania 19113. In consideration of the mutual covenants contained herein the parties agree as follows:

1. Avec warrants and represents that it has free and clear title to four hundred (400) railroad boxcars ("Boxcars") similar to Y&S 23968 and further described in Exhibit A attached to this Agreement and made a part hereof.

2. Avec agrees to deliver not less than 200 of the Boxcars to railroad sidings at Scott facilities on or before December 31, 1979 and to deliver not less than 200 Boxcars on or before December 31, 1980. Avec warrants that upon delivery the Boxcars will (1) bear the reporting marks of a railroad as that term is used in the Interstate Commerce Act; (2) be suitable for use in the shipment of sanitary paper products; and (3) be assigned to Scott as controllable "XP" boxcars; and (4) be delivered in groups of 50 boxcars each as specified in numbered schedules now or subsequently attached hereto and made a part hereof.

3. Scott guarantees that Avec shall accrue an average of at least Two Hundred Dollars (\$200.00) in per diem and mileage payments for each month for each Boxcar for a period of sixty (60) months from the date such Boxcar is received and accepted for use by Scott, PROVIDED:

(a) in determining whether the minimum Two Hundred Dollars (\$200.00) per month per Boxcar per diem and mileage has accrued in a given month, the Boxcars shall be assigned to groups of no more than fifty (50) cars as they are delivered, and the average per diem and mileage for all the Boxcars in service for that month in any such group shall be used as the per diem and mileage for each Boxcar in that group.

(b) with respect to any month in which a Boxcar is out of service for repairs or due to delivery part way through the month, the amount guaranteed by Scott for such month for such Boxcar shall be reduced by a sum equal to the number of days such Boxcar is out of service times Two Hundred Dollars (\$200.00) divided by the number of days in such month;

(c) if any Boxcar is destroyed or out of service for longer than forty-five (45) days for repairs, this guarantee shall immediately terminate with respect to such Boxcar, and Scott shall not guarantee any further per diem or mileage payments for such Boxcar; provided that Scott may re-accept such Boxcar for service and renew this Agreement with respect to such Boxcar if Avec subsequently returns the Boxcar to service.

(d) by this guarantee Scott only guarantees that Two Hundred Dollars (\$200.00) per month of per diem and mileage will be accrued; Scott does not guarantee that the railroads or any other third parties obligated to pay such per diem and mileage with respect to any Boxcar will make any payments to Avec, and Scott shall not be liable for the failure of any such railroads or other third parties to make such payments.

Subject to the above-conditions, Scott shall perform this guarantee by paying to Avec the difference between Two Hundred Dollars (\$200.00) and the average per diem and mileage properly accrued for any month for each Boxcar within thirty (30) days after receipt of written notice and appropriate supporting documentation showing that average per diem and mileage for the Boxcars was less than Two Hundred Dollars (\$200.00) per Boxcar for such month.

4. The initial term of this Agreement with respect to each Boxcar shall be six (6) years, commencing on the date of delivery of such Boxcar. Provided that this Agreement has not been earlier terminated and that no event of default has occurred and is continuing hereunder, Avec agrees that it shall not enter into any agreement for the assignment or use of the Boxcars with any other party upon expiration of this Agreement without first offering to enter into a new agreement with Scott for the assignment or use of the Boxcars upon terms equal to or better than those offered to any other party. Avec shall make such offer to Scott in writing, and Scott shall have the right to accept such offer by sending written notice of its acceptance to Avec at any time within thirty (30) days after Scott's receipt of the written offer from Avec.

5. Avec shall be entitled to all revenues from the Boxcars. Avec is responsible for maintaining and repairing the boxcars, or causing the boxcars to be maintained and repaired, in accordance with the Code of Rules of the Association of American Railroads, the regulations of the Interstate Commerce Commission and the rules and regulations of other federal and state authorities having jurisdiction. Scott shall have the

right to require that any car which requires repair (as opposed to running maintenance) or which becomes unfit for transportation of sanitary paper products be withdrawn from service immediately until such condition is corrected, provided that Avec shall have right to retire any Boxcar if it determines that the cost of repair is unreasonable. Avec will give Scott prompt written notice of any determination to withdraw a Boxcar from service. Avec shall be responsible for payment of all property taxes levied upon the Boxcars and for filing all necessary returns and reports for such taxes.

6. Scott agrees to make its best effort to assure 100% utilization of the Boxcars for the shipment of its sanitary paper products and, consistent with sound business judgment and good transportation practices, to utilize the Boxcars in a way that will generate maximum mileage payments.

7. From time to time, the parties may amend this Agreement to cover up to 200 additional Boxcars by amending Exhibit A or attaching new exhibits, signed by both parties, hereto.

8. Avec shall have the right to assign this Agreement to any other party or parties, in whole or in part, provided that any such assignment shall not extinguish or diminish the duties and obligations of Avec or the rights of Scott hereunder.

9. Arrangement of financing suitable to Avec is a condition precedent to all of Avec's obligations under this Agreement.

10. Scott shall have the right to immediately terminate this Agreement, without further obligation by either party, as to: (a) all or any of the first 200 Boxcars if Avec fails to obtain financing for the first 200

Boxcars by September 1, 1979, (b) as to all or any of the second 200 Boxcars if Avec fails to obtain financing for the second 200 Boxcars by January 1, 1980; and (c) as to all or any of the Boxcars delivered under this Agreement if Avec materially breaches any other term or condition of this Agreement.

11. This Agreement and all rights and obligations of the parties hereunder shall be governed by and construed in accordance with the laws of the Commonwealth of Pennsylvania.

12. All notices provided for herein shall be considered properly given if in writing and (a) sent by telex and confirmed by first class mail, postage pre-paid or (b) given by certified or registered mail, postage pre-paid. The respective addresses for notices shall be the addresses of the parties of the outset hereof. Such addresses may be changed by either party giving written notice thereof to the other. Any notice given pursuant to the foregoing provisions shall be deemed given when actually received.

13. This Agreement, including all Exhibits hereto, constitutes the entire agreement of the parties and may not be modified except by written agreement signed by the parties hereto.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first set forth above.

AVEC EQUIPMENT CORPORATION

SCOTT PAPER COMPANY

By: Philip S. Harney
Title: President

By: D. P. Frisch JBB
Title: Vice President

EXHIBIT A

The four hundred (400) Boxcars referred to in Paragraph 1 of the attached Agreement shall meet the following specifications:

1. All Boxcars shall substantially conform to the quality and specifications of Y&S 23968;
2. All Boxcars shall have been fully refurbished by North American Car Corporation or a company of similar skill and experience or be Boxcars of equivalent quality;
3. All Boxcars shall be suitable for sanitary paper product loading and shipment;
4. All Boxcars shall be classified "XP"; and
5. All Boxcars shall be (a) fifty (50) feet six (6) inches long; (b) fifty (50) ton or greater gross weight capacity; (c) ideally nine (9) feet four (4) inches wide, but no less than nine (9) feet two (2) inches wide; and (d) equipped with ten (10) foot sliding doors.

Provided that Scott shall in good faith accept Boxcars varying from the above specifications if Scott determines that any such cars are suitable for transportation of its products.

Dated: June 28, 1979

AVEC EQUIPMENT CORP.

By Philip S. Healy

Title President

SCOTT PAPER COMPANY

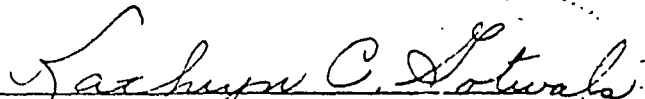
By D. P. Frisch JBB

Title Vice President

STATE OF PENNSYLVANIA

County of Delaware

On this 6th day of September, 1979, before me personally appeared Donald R. Frisch, to me personally known, who being by me duly sworn, says that he is the Vice President of Scott Paper Company, that the seal affixed to the foregoing instrument is the corporate seal of said corporation, that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.


Notary Public

NOTARY PUBLIC, Tincum Twp., Delaware Co.
My Commission Expires February 13, 1981

STATE OF OHIO

COUNTY OF CRAWFORD

On this 28th day of September, 1979, before me personally appeared Philip S. Hesby, to me personally known, who being by me duly sworn, says that he is the President of AVEC Equipment Corporation, that the seal affixed to the foregoing instrument is the corporate seal of said corporation, that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

Dorothy Redden
Notary Public

DOROTHY REDDEN
NOTARY PUBLIC STATE OF OHIO
My Commission Expires May 26, 1983

AMENDMENT #1 TO
ASSIGNMENT CAR AGREEMENT

Amendment entered into this 30th day of May, 1980 to Assignment Car Agreement dated June 28, 1979 (the "Agreement") by and between AVEC EQUIPMENT CORPORATION ("Avec") and SCOTT PAPER COMPANY ("Scott").

BACKGROUND

Paragraph 1 of the Agreement states that Avec has free and clear title to 400 railroad boxcars (defined as "Boxcars") as described in Exhibit A attached to the Agreement. The Agreement provides that Avec will deliver the Boxcars to Scott for the purposes set forth in the Agreement. Avec and Scott wish to provide that Avec may deliver Boxcars in satisfaction of the Agreement held under an equipment trust agreement of which Avec is the beneficiary and Philip S. Hesby, President of Avec, is trustee. Also, the parties to the Agreement wish to amend the Agreement to add Philip S. Hesby as a party in his capacity as trustee, and Philip S. Hesby wishes to become a party to the Agreement for the purpose of subjecting legal title of Boxcars owned by him as trustee to the provisions of the Agreement.

NOW, THEREFORE, the parties hereto agree as follows:

1. Avec may deliver to Scott in satisfaction of the Agreement Boxcars meeting the specifications set forth in Exhibit A to the Agreement which are held under equipment

trust agreements under which Avec is the beneficiary and Philip S. Hesby is the trustee.

2. The parties hereto agree that the lists of cars accepted by Scott under the Agreement heretofore or hereafter delivered to Provident National Bank in connection with loans made to Avec for purposes of refurbishing Boxcars shall constitute schedules under the Agreement referred to in paragraph 2 thereof.

3. Philip S. Hesby, as trustee of equipment trusts covering Boxcars which are delivered under this Agreement, hereby agrees to be bound by the terms of such Agreement to the extent necessary to subject legal title to such Boxcars to the rights of Scott under the Agreement and to the rights of assignees of Avec's rights under the Agreement.

IN WITNESS WHEREOF, the parties hereto have executed this amendment as of the date set forth above.

SCOTT PAPER COMPANY

By: Frank Schneider

AVEC EQUIPMENT CORPORATION

By: Philip S. Hesby, Trustee

PHILIP S. HESBY, TRUSTEE

Philip S. Hesby, Trustee

EXHIBIT A - Page 1

250 BOXCARS - Y & S Marks

23004	23643	24219	25164	25761
23045	23654	24253	25190	25764
23054	23672	24298	25193	25777
23083	23673	24329	25238	25780
23093	23687	24350	25247	25787
23102	23694	24360	25248	25800
23103	23707	24400	25263	25812
23114	23714	24442	25273	25815
23116	23716	24445	25281	25821
23120	23719	24460	25287	25822
23135	23741	24474	25316	25825
23168	23744	24486	25337	25833
23172	23745	24538	25345	25873
23195	23751	24545	25366	25903
23200	23759	24569	25386	25933
23210	23772	24600	25422	25947
23211	23797	24630	25427	25951
23224	23802	24639	25465	25956
23260	23805	24678	25479	25966
23266	23823	24713	25494	25977
23287	23868	24736	25497	25980
23303	23884	24743	25512	25987
23345	23906	24748	25519	25991
23348	23912	24775	25522	25997
23352	23919	24786	25536	25999
23353	23921	24800	25551	26000
23376	23936	24816	25563	26010
23392	23958	24847	25566	26011
23400	23962	24858	25569	26016
23413	23966	24884	25575	26019
23419	23968	24894	25582	26020
23451	23969	24913	25591	26022
23453	23988	24954	25614	26024
23456	23990	24974	25615	26026
23470	23992	24984	25632	26039
23477	23997	24993	25634	26041
23494	24005	25001	25637	26050
23502	24029	25005	25647	26072
23510	24033	25014	25653	26073
23517	24043	25020	25669	26079
23524	24051	25039	25680	26084
23536	24058	25055	25683	26088
23537	24080	25111	25685	26096
23550	24087	25112	25695	26098
23554	24088	25116	25701	26101
23556	24123	25121	25702	26108
23559	24158	25133	25722	26118
23579	24184	25144	25735	26122
23587	24206	25145	25744	26124
23641	24216	25156	25752	26147

EXHIBIT A - Page 2

166 BOXCARS - LKVY Marks

123000	123043	123087	123150
123001	123044	123088	123151
123002	123045	123089	123152
123003	123046	123090	123153
123004	123047	123091	123154
123005	123048	123092	123155
123006	123049	123093	123156
123007	123050	123094	123157
123008	123051	123096	123158
123009	123052	123097	123159
123010	123053	123098	123160
123011	123054	123099	123161
123012	123055	123100	123162
123013	123056	123101	123163
123014	123057	123103	123164
123015	123058	123104	123165
123016	123060	123105	123166
123017	123061	123106	123167
123018	123062	123107	123168
123019	123063	123108	123169
123020	123065	123109	123170
123021	123066	123110	123171
123022	123067	123111	123172
123023	123068	123112	123173
123025	123069	123114	123175
123026	123070	123117	123176
123027	123071	123118	123177
123028	123072	123119	123178
123029	123073	123120	123179
123030	123074	123121	123180
123031	123075	123122	123500
123032	123076	123123	123501
123033	123077	123124	123502
123034	123078	123125	123503
123035	123079	123126	123504
123036	123080	123127	123505
123037	123081	123128	123506
123038	123082	123129	123507
123039	123083	123130	123508
123040	123084	123131	123509
123041	123085	123132	
123042	123086	123133	

OPERATING AND USE AGREEMENT

AGREEMENT made and entered into as of the 12th day of March, 1980, between AVEC EQUIPMENT CORPORATION, an Ohio corporation, (hereinafter called "Owner") and LYKENS VALLEY RAILROAD COMPANY, a Pennsylvania Corporation, (hereinafter called "User").

W I T N E S S E T H:

WHEREAS, User desires to obtain from Owner certain railroad cars, hereinafter specifically designated or to be specifically designated for the purposes and upon the terms and conditions as set forth in this agreement.

NOW, THEREFORE, the parties hereto agree as follows:

1. Cars to be Furnished: Owner agrees to make available to User, and User agrees to use during the term of this agreement that number of used railroad cars to be provided by Owner under the terms and conditions and for the rentals hereinafter set forth, which cars are sometimes hereinafter called the "Cars". The Cars will be 40' and 50' fifty ton Box Cars. Any additional descriptions of the Cars, including any Association of American Railroads (A.A.R.) mechanical designation, identifying marks, road or serial numbers to be delivered to User upon the execution of this agreement, are set forth in Appendix A hereto, and amendments. Any additional Cars delivered to User shall be provided for and accepted by User as provided in paragraph 6, on the basis set forth in paragraph 5 hereof. When any such subsequent delivery of Cars is made, an amendment to Appendix A shall be executed by Owner indicating

the type and description of the Cars involved, as reflected in Appendix A for Cars delivered upon the execution of this agreement. Upon acceptance by User as provided in paragraph 3 of any subsequently delivered Cars, the provisions of this agreement shall become fully applicable thereto.

2. Term of Agreement: The term of this agreement for any Cars delivered hereunder shall commence upon their acceptance by User, as provided for in paragraph 6 hereof, and shall terminate on March 31, 1981, irrespective of the date of the acceptance of any Car. Owner shall have the right, to renew this agreement on a year to year basis upon giving User 90 days' written notice.

3. Delivery and Use of Cars: Owner agrees to deliver at its expense, and User agrees to accept the Cars at such point or points to which the parties may agree, not necessarily on User's property. Owner's obligation as to such deliveries shall be subject to all delays resulting from causes beyond its control. The cars shall be used only in such inter-line service as shall be mutually agreed upon between the parties, and none of the Cars, except with prior written consent of Owner, shall be shipped beyond the boundaries of the United States, ^{USA} ~~Canada or Mexico~~. Owner agrees to apply User's reporting marks to the Cars, notwithstanding that title to them shall at all times remain in Owner. Owner will also cause each Car to be marked with User's road numbers referred to in Appendix A. Such road numbers shall not be changed, except by agreement of both Owner and User.

4. Rental: Beginning with the third month after acceptance of the Cars, a Rental shall be payable each calendar month thereafter consisting of the net of all amounts paid or received by User during such month under the then applicable Car Hire, Car Service and A.A.R. repair billing rules, less a fee to User (Service Fee) of Seven Dollars (\$7.00) per Car per calendar month. Whenever the net of all amounts received by the User in a calendar month exceeds the amount of all payables and the Service Fee for such month, User shall promptly pay to Owner such net amount. In any event, User shall be entitled to receive the Service Fee for each Car for each calendar month this agreement is in effect with respect to such Cars then in service.

5. Reports: Beginning in July, 1980, User shall report to Owner by the 20th day following the end of each calendar month the information applicable to such month with respect to all Cars:

- (a) Net amount of per diem, incentive per diem, if any,
and mileage received and/or paid by User;
- (b) Gross amount of car service charges paid;
- (c) Net amount of A.A.R. payable repair billing;
- (d) Gross amount of Service Fee;
- (e) Net amount due Owner.
- (f) User shall use Accounting and/or Computer Service
Company as directed by Owner, at Owner's expense.

In addition to the foregoing, User shall report to Owner in substantially the same form as Appendix B hereto in each June and December a listing,

by Car and/or groups of Cars as directed by Owner, of all amounts received with respect to such Car pursuant to Car Hire Rules and a listing of all A.A.R. repair billing actually paid in the prior period with the approval of the Owner.

6. Acceptance of Cars by User at Owner's Expense: Each of the Cars shall be subject to User's inspection and approval.

7. Maintenance or Repairs: Owner shall at all times during the term of this agreement, and at its own cost and expense, maintain and keep the Cars in good and proper repair and running condition. In the event, however, that any of the Cars are damaged or destroyed while on User's railroad, User shall assume financial responsibility therefor. Owner also agrees that it shall, at its own cost, comply with and maintain the Cars in accordance with all governmental laws, regulations and requirements, and with the Rules of Interchange of the Association of American Railroads (or of any successor thereto), with respect to the use, maintenance and operation of the Cars during the continuance of this agreement.

8. Cars Removed from Service: In the event of the loss or destruction of any Car from any cause whatsoever during the term of this agreement, the Rental with respect to such Cars shall terminate at the time provided for in the Car Hire Rules, provided, however, that the Service Fee shall terminate three months thereafter. The Owner or its insurer shall have the rights of subrogation and indemnification to and for any claim for loss or destruction and may thereunder, at its option, assume the right to collect its claim for the value of such Car from the party responsible and liable for the loss or destruction of the Car. In

furtherance of the foregoing, User hereby authorizes and empowers Owner in Owner's own name, or in the name of and as attorney hereby irrevocably constituted for User to ask, sue for, collect, receive and enforce any and all rights to which User may be entitled by reason of the destruction of the said Car. Owner shall have the right, but shall not be obligated, to substitute for any destroyed Car another Car of the same type and capacity and the same monthly Rental with respect to such substituted Car shall commence upon delivery of such substituted Car to User.

9. Payment of Taxes, Liens and Other Items:

1. The following additional costs and expenses shall be the responsibility of and be paid by Owner:

- (a) All license fees, assessments and sales, use, property and other tax or taxes now or hereafter imposed by any state, federal or local government upon the Cars or upon the use thereof, whether assessed in the name of Owner or User. If User for any reason pays any of the aforesaid, Owner agrees to reimburse User promptly upon receipt of bills, therefor; and
- (b) The cost and expense of removing User's markings from the Cars upon termination of this agreement.
- (c) User shall not pay a license fee, assessment or tax in the first instance without giving Owner at least ten (10) days written notice thereof so that Owner

may have an opportunity to make payment itself or contest the same in which latter event User will cooperate with Owner.

2. User agrees to indemnify Owner, and hold it harmless from any loss, expense, or liability which owner may suffer or incur, from any charge, claim, proceeding, suit or other event which in any manner or from any cause arises in connection with the use, possession or operation of a Car while subject to this lease, and without regard as to how such charge, claim, proceeding, suit or other event arose, including without limiting the generality of the foregoing, WHITHER it arises from latent or other defects which may or may not have been discoverable by Owner. The term Owner shall mean and include any subsidiary, parent or affiliated corporation, or person for all purposes of this sub-paragraph.

10. Assignment: User may not transfer or assign its interest under this agreement with respect to the Cars covered hereunder without Owner's prior written consent. No right, title or interest in any of the Cars shall vest in User by reason of this agreement except for the provisions of paragraph 4 of this agreement, or by reason of the delivery to or use by User of the Cars, except the right to use the Cars in accordance with the terms of this agreement. Owner and any assignees of Owner shall be entitled to sell, assign and transfer its entire title and reversion in and to the Cars and/or its right to Rentals and other payments payable by User hereunder and to the performance of the other covenants

herein made by User, and such assignee or any subsequent assignee thereof shall have and succeed to all of the rights, and remedies herein conferred upon and reserved to Owner. User shall be obligated under this agreement to the Owner, assignee or subsequent assignee upon receipt by User of written notification from both the Owner and its assignee or by any assignee or subsequent assignee that such assignment or subsequent assignment has taken place.

11. Remedies: If User shall fail to perform any of its obligations hereunder, Owner shall give written notice to User, and if User shall fail to cure within thirty (30) days of such notice, Owner at its election may either (a) terminate this agreement immediately, or (b) withdraw the Cars which have to that date been delivered from the service of the User and deliver the same, or any thereof, to others upon such terms as Owner may see fit.

If User shall fail to carry out and perform any of its obligations under this agreement, or if a petition in bankruptcy, or for reorganization, or for a trustee or receiver is filed by or against User (unless such petition shall be dismissed within thirty (30) days from the filing or other effective date thereof, or shall, within such period be nullified, stayed or otherwise rendered ineffective, or unless any such receiver(s) or trustee(s) shall, within thirty (30) days from date of his or their appointment, adopt this agreement pursuant to due authority of the Court of his or their appointment), then and in any such event,

Owner may, at its option, declare this agreement terminated and upon such declaration all Rentals not theretofore due and payable shall forthwith become due and payable and Owner may enter upon the railroad or premises where the Cars or any of them may be and retake possession thereof, and remove User's road number and name therefrom. If Owner waives its said rights or does not declare this agreement terminated, User's obligations hereunder shall continue. The aforesaid remedies of Owner shall not be deemed exclusive, but shall be cumulative and in addition to all other rights and remedies given or provided by law or in equity. No delay or failure on the part of Owner to exercise any rights hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any right preclude any other or further exercise thereof, and no act or omission to act by Owner against User or against any Car, or any delay or indulgence granted or allowed by Owner, shall prejudice any of Owner's rights.

12. Termination and Return of Cars: At the end of the term of this agreement, or upon any termination thereof for cause as defined herein, User shall forthwith surrender possession of the Cars (except Cars previously removed from service) to Owner at such point or points where the Cars may then be located. From the time of such surrender, the Cars shall become and remain the responsibility of Owner.

13. Recordation: Owner at its option may cause this agreement to be filed and recorded with the Interstate Commerce Commission under the Interstate Commerce Act in order to publish notice of, and to

protect the title of Owner to the Cars. User shall execute any and all other and further instruments as shall reasonably be requested by Owner to assure such publication and such protection of such title. Owner shall pay all costs, charges and expenses, including all recording and registration taxes and fees, incident to the filing, registering and/or recording of this agreement and of any instruments of further assurance hereunder.

14. All Parties Bound: This agreement shall be binding upon and inure to the benefit of the Owner and User and their successors and assigns.

15. Execution in Counterparts: This agreement may be simultaneously executed in two or more counterparts, each of which shall be deemed to be an original, and such counterparts together shall constitute but one and the same agreement which shall be sufficiently evidenced by any such original counterpart.

16. Notice in Writing: Any notice, demand or other communication hereunder shall be in writing and shall be deemed to have been duly given when personally delivered or deposited in the mail, first class postage prepaid, addressed as follows: If to the Owner: To the attention of Philip Hesby, President, Avec Equipment Corporation, P.O. Box 706, Galion, Ohio, 44833. If to the User: To the attention of D. R. Moyer, President, Lykens Valley Railroad Company, 37 North Market Street, P.O. Box 517, Elizabethville, PA, 17023, or addressed to either party at such other address as such party shall hereafter furnish to the other in writing.

17. Construction: The remedies in this agreement provided in favor of the Owner shall not be deemed exclusive, but shall be cumulative, and shall be in addition to all other remedies in Owner's favor existing at law or in equity and may be exercised from time to time and as often and in such order as may be deemed expedient by the Owner. The captions herein are inserted for convenience only and shall not affect the construction of this agreement. No delay or omission of the Owner in the exercise of any right or power accruing upon any event of default shall impair any right or power or shall be construed to be a waiver of such event of default or an acquiescence therein. The provisions of this agreement and all rights and obligations hereunder shall be governed by and construed in accordance with the laws of the State of Ohio.

IN WITNESS WHEREOF, Owner and User, respectively have caused these presents to be signed in their respective corporate names as of the day and year first above written.

AVEC EQUIPMENT CORPORATION

By John S. H. [Signature]
President

LYKENS VALLEY RAILROAD COMPANY

By [Signature]
President

COMMONWEALTH OF PENNSYLVANIA)

COUNTY OF PHILA)

ss:

On this 24th day of APRIL, 1950, before me, the undersigned Notary Public, personally appeared Donald R. Moyer, who, being by me duly sworn acknowledged that he is President of the Lykens Valley Railroad Company that he executed the foregoing instrument for and on behalf of said corporation and that the execution of the foregoing instrument was the free act and deed of said corporation.

Bernard Z. Schantzer

My commission expires: 5/8/82

BERNARD Z. SCHANTZER
Notary Public, Phila., Phila. Co.
My Commission Expires May 8, 1982

COMMONWEALTH OF PENNSYLVANIA :
COUNTY OF PHILADELPHIA : SS:

On this 13th day of June, 1980, before me, the undersigned Notary Public, personally appeared Philip S. Hesby, who, being by me duly sworn, acknowledged that he is President of Avec Equipment Corporation; that he executed the foregoing instrument for and on behalf of said corporation and that the execution of the foregoing instrument was the free act and deed of said corporation.



My commission expires:

WILLIAM O. BREM
Notary Public, Phila., Phila. Co.
My Commission Expires Oct. 13, 1983

LYKENS VALLEY RAILROAD COMPANY/AVEC EQUIPMENT CORPORATION
MODIFICATION AND AMENDMENT OF AGREEMENT
AND
ACKNOWLEDGMENT OF ASSIGNMENT

WHEREAS, Lykens Valley Railroad Company ("Railroad") and Avec Equipment Corporation ("Avec") are parties to an operating and use agreement dated March 12, 1980 (the "Agreement") which provides that the Railroad will operate certain railroad boxcars furnished by Avec upon the terms and conditions set forth therein; and

WHEREAS, the legal title to certain boxcars which Avec proposes to furnish under the Agreement will be held by Philip S. Hesby ("Hesby"), President of Avec and its principal shareholder, as trustee for Avec under various railroad equipment trusts of which Avec is the beneficiary by assignment; and

WHEREAS, Avec is a party to an assignment car agreement dated June 28, 1979 (the "Scott Agreement") with Scott Paper Company ("Scott") providing for the use by Scott of boxcars delivered by Avec for purposes of shipping Scott products; and

WHEREAS, the Railroad and Avec desire to modify and amend the Agreement to identify certain boxcars which may become subject to the Agreement; to acknowledge Hesby as the holder of legal title to certain boxcars; to provide for acceptance of boxcars under the Agreement; and for certain other purposes set forth below.

NOW, THEREFORE, the parties hereto agree as follows:

1. Attached hereto as Appendix A is a list of boxcars, identified by car numbers, which may be delivered for use under

the Agreement. Such list may be supplemented from time to time to add or delete cars.

2. All boxcars (the "Boxcars") which carry the reporting marks of the Railroad and are accepted for use by Scott under the Scott Agreement shall be considered to have been accepted by the Railroad and to be covered by the Agreement without any further action or acceptance by Railroad under paragraph 6 of the Agreement, or otherwise, and it shall not be necessary to attach a list of such cars or otherwise further amend the Agreement to provide that such cars are covered thereunder.

3. Boxcars for which legal title is held by Hesby as trustee for Avec shall be acceptable for delivery by Avec under the Agreement.

4. Hesby hereby agrees to be bound by the terms of the Agreement to the extent necessary as holder of legal title to any of the Boxcars. All actions taken by Avec under the Agreement shall be binding on Hesby.

5. For purposes of paragraph 3 of the Agreement, the Boxcars shall be used as provided in the Scott Agreement and shall remain within the United States of America.

6. Railroad acknowledges that the Boxcars have or will be mortgaged by Avec and Hesby to Provident National Bank (the "Bank") to secure loans by the Bank to refurbish the Boxcars, and that such mortgage has or will be recorded with the Interstate Commerce Commission.

7. Railroad acknowledges that Avec's rights under the Agreement have been assigned to the Bank as further security for the loans;

that the Bank has not assumed any of the obligations of Avec under the Agreement; and that the assignment has been or will be recorded with the Interstate Commerce Commission.

8. The parties hereto agree that the Agreement delivered to the Bank by Avec is the original thereof and that all counterparts are copies.

9. Railroad agrees to make all payments under the Agreement and deliver all reports required to be delivered under the Agreement directly to the Bank at Broad and Chestnut Streets, Philadelphia, Pennsylvania 19101, Attention: Barbara J. S. Bear, Account No. 384-500-1 or to such other address as the Bank may specify in writing.

IN WITNESS WHEREOF, the parties have executed this modification and amendment this 31 day of May, 1980.

Witness
H. J. [Signature]

LYKENS VALLEY RAILROAD COMPANY

By: *[Signature]* *PRESIDENT*
Authorized Officer

AVEC EQUIPMENT CORPORATION

By: *[Signature]*
Philip S. Hesby,
President

PHILIP S. HESBY, as trustee for Avec Equipment Corporation under various equipment trust agreements

[Signature]

COMMONWEALTH OF PENNSYLVANIA :

SS:

COUNTY OF ~~PHILADELPHIA~~ :

Dauphin

On this *31* day of *May*, 1980, before me, the undersigned Notary Public, personally appeared Donald R. Moyer, who, being by me duly sworn acknowledged that he is President of the Lykens Valley Railroad Company, that he executed the foregoing instrument for and on behalf of said corporation and that the execution of the foregoing instrument was the free act and deed of said corporation.

Kermit I. Daniel

Donald R. Moyer

My commission expires:

KERMIT I. DANIEL, NOTARY PUBLIC
ELIZABETHVILLE, DAUPHIN CO., PENNA
MY COMMISSION EXPIRES JANUARY 18, 1983

COMMONWEALTH OF PENNSYLVANIA :
COUNTY OF PHILADELPHIA : SS:

On this *13th* day of *June*, 1980, before me, the undersigned Notary Public, personally appeared Philip S. Hesby, the person who signed the foregoing instrument, who, being by me duly sworn, acknowledged that he executed the foregoing instrument as his free act and deed for the purposes set forth therein.



My commission expires:

WILLIAM O. BREM
Notary Public, Phila., Phila. Co.
My Commission Expires Oct. 13, 1983

COMMONWEALTH OF PENNSYLVANIA :
COUNTY OF PHILADELPHIA : SS:

On this *13th* day of *June*, 1980, before me, the undersigned Notary Public, personally appeared Philip S. Hesby, who, being by me duly sworn, acknowledged that he is President of Avec Equipment Corporation; that he executed the foregoing instrument for and on behalf of said corporation and that the execution of the foregoing instrument was the free act and deed of said corporation.



My commission expires:

WILLIAM O. BREM
Notary Public, Phila., Phila. Co.
My Commission Expires Oct. 13, 1983

APPENDIX A TO OPERATING AND USE AGREEMENT
DATED MARCH 12, 1980 BETWEEN
LYKENS VALLEY RAILROAD COMPANY AND
AVEC EQUIPMENT CORPORATION

Initial list of boxcars which may be
delivered under agreement:

166 - LYKENS VALLEY

123000	123043	123087	123150
123001	123044	123088	123151
123002	123045	123089	123152
123003	123046	123090	123153
123004	123047	123091	123154
123005	123048	123092	123155
123006	123049	123093	123156
123007	123050	123094	123157
123008	123051	123096	123158
123009	123052	123097	123159
123010	123053	123098	123160
123011	123054	123099	123161
123012	123055	123100	123162
123013	123056	123101	123163
123014	123057	123103	123164
123015	123058	123104	123165
123016	123060	123105	123166
123017	123061	123106	123167
123018	123062	123107	123168
123019	123063	123108	123169
123020	123065	123109	123170
123021	123066	123110	123171
123022	123067	123111	123172
123023	123068	123112	123173
123025	123069	123114	123175
123026	123070	123117	123176
123027	123071	123118	123177
123028	123072	123119	123178
123029	123073	123120	123179
123030	123074	123121	123180
123031	123075	123122	123500
123032	123076	123123	123501
123033	123077	123124	123502
123034	123078	123125	123503
123035	123079	123126	123504
123036	123080	123127	123505
123037	123081	123128	123506
123038	123082	123129	123507
123039	123083	123130	123508
123040	123084	123131	123509
123041	123085	123132	
123042	123086	123133	